



August 2, 2010

Mr. Joseph Jones, Director of Government Affairs IFA
2015 Grand Avenue
Des Moines, IA 50312

Subject: Ottumwa, I-Jobs II Application, 2010 Flood Mitigation Grant

Dear Mr. Jones:

The proposed city match funds will come from an SRF loan with sewer revenues retiring the debt service. As outlined in the Staff Summary and detailed in the Resolution 124-2010 approved by City Council on July 20 2010. The project would be funded with \$825,000 in grant funds and \$375,000 local match. Additional information included in Exhibit 8 is the Wastewater System Proforma Summary Sheets prepared by Piper Jaffray that outlines rates versus estimated monthly sewer fees.

Sincerely,

A handwritten signature in blue ink that reads "Larry Seals".

Larry Seals, Public Works Director
City of Ottumwa.

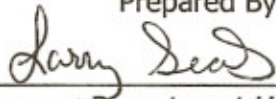
CITY OF OTTUMWA

Staff Summary

Council Meeting of: July 20, 2010

Item No. _____

Public Works - Engineering
Department

Chad Carlson
Prepared By


Department Head

AGENDA TITLE: Resolution #124-2010. Approving Support of the I-Jobs II Grant Application.

PURPOSE: To approve support of the I-Jobs II Grant Application.

RECOMMENDATION: Pass and adopt Resolution #124-2010.

DISCUSSION: During the 2010 Legislative Session, the Iowa Legislature created the I-Jobs II Program which provides for I-Jobs grant funding to assist in the development and completion of public construction projects relating to disaster prevention.

We are submitting an application for I-Jobs II funding for Phase III Division 2 of the South Ottumwa Sanitary Sewer Separation. This division is generally bounded by Milner of the East, Finley on the North, Ferry of the West, and Mary on the South.

This project is one more step in the process to eliminate basement flooding from sewer surcharging. The project will also reduce the overall frequency of street flooding caused by an undersized combined sewer system.

This projected is estimated at \$1,200,000 with a request of \$825,000 from I-Job II and a local match of \$375,000.

RESOLUTION IN SUPPORT OF I-JOBS II GRANT APPLICATION

WHEREAS, that during the 2010 Legislative Session, the Iowa Legislature enacted Senate File 2389 (the "Act"), creating the I-Jobs II Program and providing for I-Jobs grant funding to assist in the development and completion of public construction projects relating to disaster prevention; and

WHEREAS, that Act also created new chapter 18B of the Iowa Code, which provides, inter alia, that local governments shall consider and may apply certain planning principles, denominated by the Act as "Smart Planning Principles" during the deliberation of all appropriate planning, zoning, development, and resources management decisions; and

WHEREAS, pursuant to Sec. 88 of the Act, only cities or counties that apply "smart planning principles and guidelines pursuant to sections 18B and 18B.2,..., may submit an application to the Iowa jobs board for financial assistance for a local infrastructure competitive grant for an eligible project under the program"; and

WHEREAS, the City of **Ottumwa, Iowa** desires or may desire to apply for I-Jobs II grant funding for one or more eligible projects within the City, to wit:

This project is a continuation of the sewer separation of the combined sewer separation located on the south side of the City of Ottumwa. This project is Division 2 of the Phase III sewer separation project. This division is generally bounded by Milner of the East, Finley on the North, Ferry of the West, and Mary on the South. This project is one more step in the process to eliminate basement flooding from sewer surcharging. The project will also reduce the overall frequency of street flooding caused by an undersized combined sewer system.

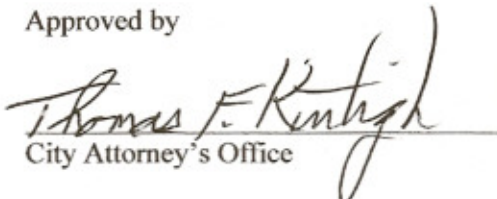
NOW THEREFORE, the City of **Ottumwa, Iowa** hereby resolves as follows:

1. The City shall promptly perform a review to determine the potential advantages and disadvantages to the City of amending its comprehensive plan utilizing Smart Planning Principles in conformance with the Act.
2. In the event the city is awarded on or more grants under the Iowa Jobs II local infrastructure competitive grant program pursuant to the Act, the City shall complete the amendment of its comprehensive plan utilizing smart planning principles in conformance with new chapter 18B within three years of the award of such grant(s).

Passed and approved this 20th day of July, 2010.


Mayor

Approved by


City Attorney's Office

Attest: 
City Clerk

Wastewater System Proforma Summary
City of Ottumwa, Iowa

		Option funds entire project list without TIF or LOST extension							
Period Ending 6/30		2011	2012	2013	2014	2015	2016	2017	2018
Income									
Total Income		6,706,581	7,487,913	8,416,543	9,464,775	10,016,972	10,601,909	11,221,541	11,877,938
Expenses									
Additional Operating & Spot Repair		500,000	525,000	551,250	578,813	607,753	638,141	670,048	703,550
Sewage Treatment		2,631,742	2,763,329	2,901,496	3,046,570	3,198,899	3,358,844	3,526,786	3,703,125
Financing		2,324,214	2,753,154	3,572,769	3,614,048	4,557,067	4,510,554	4,832,093	4,782,029
Non bond capital		1,296,925	1,361,771	1,429,860	1,501,353	1,576,420	1,655,241	1,738,004	1,824,904
Additional Sanitary System Maintenance Cc		629,178	660,637	693,669	728,352	764,770	803,008	843,159	885,317
CSO-UAA		70,000	73,500	77,175	0	0	0	0	0
Manhole Const		0	0	0	0	0	0	0	0
Storm Water Utility		5,722	6,008	6,309	6,624	6,955	7,303	7,668	8,051
Catch Basin		50,000	52,500	55,125	57,881	60,775	63,814	67,005	70,355
Project Expenses including manhole repair		50,000	52,500	55,125	57,881	60,775	63,814	67,005	70,355
Transfer to Plant Improvement Fund		250,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Expenses		7,807,781	8,748,400	9,842,777	10,091,522	11,333,415	11,600,719	12,251,766	12,547,686
Net Income		-851,200	-760,486	-926,234	-126,747	-816,443	-498,810	-530,225	-169,748
Net Free Cash Flow		-540,089	-280,900	-314,233	102,049	-232,001	-284,159	-9,426	51,062
Ending Cash Balance		1,606,062	1,405,466	1,161,506	1,321,631	1,155,711	929,338	966,378	1,065,759
Plant Improvement Fund Balance		250,000	750,000	1,250,000	1,750,000	2,250,000	2,750,000	3,250,000	3,750,000
Revenue Increase		13.00%	13.00%	13.00%	13.00%	6.00%	6.00%	6.00%	6.00%
% of MHI		1.19%	1.31%	1.44%	1.57%	1.62%	1.67%	1.72%	1.77%
Estimated MHI		43,930	45,248	46,605	48,003	49,443	50,927	52,454	54,028
Estimated monthly sewer bill		44	49	56	63	67	71	75	80

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Construction Inflation Assumption Per Year: 4.000%

Project Cost at time of Construction

Project Cost at time of Construction	Option funds entire project list without TIF or LOST extension									Totals
	Project Timeline	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Calendar Year 2013	Calendar Year 2014	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	
Blakes Branch	2012-2015			2,704,000	2,704,000	2,704,000	2,704,000			10,816,000
Trunk sewer to airport/ABC	2015-2018						2,433,306	2,433,306	2,433,306	7,299,917
Richmond	2010-2015		956,800	956,800	956,800	956,800	956,800			4,784,000
Lagoon Pump station/Finley pumps	2011-2013		1,248,000	1,248,000	1,248,000	1,248,000				4,992,000
UV at plant	2015						608,326			608,326
Sludge storage & dewatering	2012-2014			1,442,133	1,442,133	1,442,133				4,326,400
Northside CSO Box Sewer Repair	2011-2014			3,605,333	3,605,333	3,605,333				10,816,000
Westside Sewer	2011-2015		3,978,000	3,978,000	3,978,000	3,978,000				15,912,000
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Option funds entire project list without TIF or LOST extension											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
Uses of Funds	Projects	Projects	Projects	Projects	Projects	Projects	Projects	Projects	Projects	Projects	
Blakes Branch	0	0	2,704,000	2,704,000	2,704,000	2,704,000	0	0	0	0	10,816,000
Trunk sewer to airport/ABC	0	0	0	0	0	2,433,306	2,433,306	2,433,306	0	0	7,299,917
Richmond	0	956,800	956,800	956,800	956,800	956,800	0	0	0	0	4,784,000
Lagoon Pump station/Finley pur	0	1,248,000	1,248,000	1,248,000	1,248,000	0	0	0	0	0	4,992,000
UV at plant	0	0	0	0	0	608,326	0	0	0	0	608,326
Sludge storage & dewatering	0	0	1,442,133	1,442,133	1,442,133	0	0	0	0	0	4,326,400
Northside CSO Box Sewer Repa	0	0	3,605,333	3,605,333	3,605,333	0	0	0	0	0	10,816,000
Westside Sewer	0	3,978,000	3,978,000	3,978,000	3,978,000	0	0	0	0	0	15,912,000
0	0	0	0	0	0	0	0	0	0	0	0
SRF initiation fee	0	8,800	194,817	0	282,077	0	117,102	0	0	0	602,796
Bond costs	0	1,760	38,963	0	56,415	0	23,420	0	0	0	120,559
											0
Total Uses of Funds	0	6,193,360	14,168,048	13,934,267	14,272,759	6,702,432	2,573,828	2,433,306	0	0	60,277,999
Sources of Funds											
Sewer Revenue Bonds			19,481,739		28,207,715		11,710,167				59,399,622
LOST Bonds		880,000				0					880,000
Westgate TIF Bonds				0							0
Airport TIF Bonds											0
STAG Grant											0
Sewer Cash on hand											0
Total Sources of Funds	0	880,000	19,481,739	0	28,207,715	0	11,710,167	0	0	0	60,279,622
Surplus of Sources over Uses	0	-5,313,360	5,313,692	-13,934,267	13,934,956	-6,702,432	9,136,339	-2,433,306	0	0	1,623